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and U.S. Bank National Association*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

**GENERAL MOTORS CORP., et al.,

Debtors.**

Chapter 11 Case No.

09-50026 (REG)

Jointly Administered

**TO THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:**

**LIMITED CONTRACT OBJECTION OF
U.S. BANK NATIONAL ASSOCIATION OR U.S. BANK TRUST NATIONAL
ASSOCIATION, AS OWNER TRUSTEE**

U.S. Bank National Association or U.S. Bank Trust National Association, as the case may be, as successor in interest to State Street Bank and Trust Company of Connecticut, National Association, as owner trustee and lessor (the “Trustee”), files this limited Contract Objection in accordance with the Assumption and Assignment Procedures set forth in the *Order Pursuant to 11 USC §§105, 363, and 365 and Fed. R. Bank. P. 2002, 6004, and 6006 (I) Approving Procedures For Sale Of Debtors’ Assets Pursuant to Master Sale and Purchase Agreement with Vehicle Acquisition Holdings LLC., a U.S. Treasury Sponsored Purchaser; (II) Scheduling Bid Deadline and Sale Hearing Date; (III) Establishing Assumption and Assignment*

Procedures; and (IV) Fixing Notice Procedures and Approving Form of Notice, dated June 2, 2009 (the “Procedures Order”).¹

Background

1. The Trustee, as successor in interest to PNC Leasing, LLC, is the owner of certain machinery and equipment (the “Equipment”) described in and subject to the financing transaction set forth on Exhibit A hereto. The Equipment is leased by the Trustee to Defiance Energy LLC pursuant to that certain Master Lease dated as of May 16, 2000 described on Exhibit A hereto (as supplemented and/or amended from time to time, the “Lease”). As security for payments under the Lease, Defiance Energy LLC has assigned, among other things, its interest in that certain Utility Services Agreement dated May 16, 2000 between Defiance Energy LLC and General Motors Corporation, a debtor in the within bankruptcy proceedings (as supplemented and/or amended from time to time, the “Utility Services Agreement”).

2. In accordance with the Procedures Order, the Debtors were to serve notices to non-Debtor counterparties of the Debtors' intent to assume and assign the Assumable Executory Contracts to the proposed Purchaser by the Mailing Deadline. The Mailing Deadline was June 5, 2009.²

3. Further, the Procedures Order requires that Contract Objections be filed with the Court, and served, within 10 days of the date of the Assumption and Assignment Notice. Accordingly, the Contract Objection Deadline may occur as early as June 15, 2009. Unless a Contract Objection is filed and served within such 10-day period, the non-Debtor counterparty, pursuant to the Procedures Order, shall be deemed to have consented to the assumption and

¹ Capitalized terms not defined herein have the meanings set out in the Procedures Order.

² Presumably, although not specified in the Procedures Order, the Debtors and the Purchaser may later determine to designate, and assume and assign additional Assumable Executory Contracts, and in that event, the Debtors must deliver such notices providing the non-debtor counterparty similar opportunity to object to the proposed assumption and assignment.

assignment and the respective Cure Amount.

Objection

4. The Trustee believes that the Equipment is used in facilities that are to be acquired by the Purchaser, and therefore the Utility Services Agreement should be the subject of an Assumption and Assignment Notice. Notwithstanding the foregoing, the Trustee, as lessor of the Equipment, has not received an Assumption and Assignment Notice with respect to the Utility Services Agreement.

5. The Trustee has been unable to determine, despite inquiries to the published helplines established by the Debtors, if (a) the Utility Services Agreement is not currently an Assumable Executory Contract, or (b) the Assumption and Assignment Notice was directed, or misdirected, to others.

6. Accordingly, in order that it not be deemed to have consented inadvertently to assumption and assignment of the Utility Services Agreement, the Trustee makes this Limited Contract Objection and expressly does not consent to a proposed assumption and assignment of the Utility Services Agreement if it is an Assumable Executory Contract. The Trustee hereby reserves all of its rights and remedies, including the opportunity to object pending proper notification by the Debtors of their intent to assume and assign the Utility Services Agreement.

U.S. Bank National Association or U.S. Bank
Trust National Association, as Owner Trustee
By its attorneys,

/s/ Richard Hiersteiner

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Dated: June 15, 2009

EXHIBIT A

1. Master Lease Agreement dated May 16, 2000, between Defiance Energy LLC and PNC Leasing, LLC
2. Amendment to Lease dated October 1, 2002, between Defiance Energy LLC and PNC Leasing, LLC
3. Schedule of Leased Equipment No. 2290-001 dated May 16, 2000, between Defiance Energy LLC and PNC Leasing, LLC
4. Schedule of Leased Equipment No. 2290-002 dated January 31, 2002 between Defiance Energy LLC and PNC Leasing, LLC
5. Supplement No. 2290-001 (dated September 1, 2001) to Schedule of Leased Equipment No. 22909-001, between Defiance Energy LLC and PNC Leasing, LLC
6. Supplement No. 2290-002 (dated January 31, 2002) to Schedule of Leased Equipment No. 22909-002, between Defiance Energy LLC and PNC Leasing, LLC
7. Utility Services Agreement dated May 16, 2000, between Defiance Energy, LLC and General Motors Corporation
8. First Amendment to Utility Services Agreement, Dated February 7, 2002 between Defiance Energy, LLC and General Motors Corporation
9. Enterprise Zone Agreement dated May 8, 2000, among Defiance County, Richland Township, Ayersville Local School District, Four County Joint Vocational School District, Defiance Energy LLC and PNC Leasing, LLC
10. Participation Agreement dated as of May 16, 2000, between Defiance Energy LLC and PNC Leasing, LLC
11. Agency Agreement dated as of May 16, 2000, between Defiance Energy LLC and PNC Leasing, LLC
12. Contract Assignment dated as of May 16, 2000, between Defiance Energy, LLC and General Motors Corporation
13. Project Sit License Agreement dated as of May 16, 2000, between Defiance Energy LLC and PNC Leasing, LLC
14. Three Party Agreement dated as of May 16, 2000, among PNC Leasing, LLC, Defiance Energy, LLC and General Motors Corporation
15. Environmental Addendum to Lease dated May 16, 2000 between PNC Leasing, LLC and Defiance Energy LLC

16. Bill of Sale to PNC Leasing LLC from Defiance Energy LLC

17. UCC Financing Statements (precautionary) filed by PNC against Defiance Energy LLC

18. Letter Agreement from PNC Leasing, LLC dated December 4, 2001, acknowledged and agreed to by Defiance Energy LLC on December 14, 2001 (acknowledging the Stipulated Loss Value table)

As used in this Agreement, "Lease" shall mean Item Nos. 1, 2, 3, 4, 5, 6, 15, and 18, together with any and all permitted amendments and modifications thereof, and "Lease Documents" shall mean all of the foregoing Item Nos. 1 through 18 together with any and all permitted amendments and modifications thereto.